

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 01282 271356Z

43

ACTION EB-11

INFO OCT-01 IO-14 ISO-00 AGR-20 CIAE-00 COME-00 INR-10

LAB-06 NSAE-00 RSC-01 SPC-03 STR-08 TRSE-00 CIEP-02

OMB-01 L-03 SS-20 NSC-10 PRS-01 DRC-01 AF-10 ARA-16

EA-11 EUR-25 NEA-10 /184 W

----- 053264

R 271230Z FEB 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 4293

LIMITED OFFICIAL USE GENEVA 1282

EO 11652: N/A

TAGS: ETRD, GATT

SUBJ: TEXTILES

REF: STATE 038255

1. PROMPT RESPONSE APPRECIATED. LETTER INCORPORATING
ADDITIONAL SENTENCE PER REFTEL DELIVERED TO SALIB FEB.
27 (BUT DATED FEB 26 WITH HIS AGREEMENT).

2. PARA 2A GENEVA 1254 DID NOT ACCURATELY SUMMARIZE A
RATHER COMPLICATED LINE OF REASONING SALIB ADVANCED TO
US FEB 26 AND AGAIN ON FEB 27. THIS BEING REPORTED
HEREWITH BECAUSE SALIB ANTICIPATES QUESTIONS MAY BE
RAISED DURING MARCH 26 TEXTILE COMMITTEE MEETING ABOUT
HOW TO INTERPRET "RESTRAINING PARTICIPATING COUNTRY"
IN ARTICLE 2, PARA 1.

3. SALIB'S BASIC ATTITUDE IS THAT SELF-RESTRAINT ACTIONS
BY EXPORTING COUNTRIES ARE NEVER GENUINELY VOLUNTARY
(EVEN IF APPLIED IN ORDER TO AVOID SOMETHING WORSE,
EG MORE RESTRICTIVE QUOTAS BY IMPORTING COUNTRY);
THUS HE THINKS "THE RESTRAINING PARTICIPATING COUNTRY"
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 01282 271356Z

IN ARTICLE 2, PARA 1, SHOULD BE THE COUNTRY ACTUALLY

RESPONSIBLE FOR RESTRICTIONS BEING APPLIES (IE THE IMPORTING COUNTRY) RATHER THAN THE COUNTRY ADMINISTERING SELF-RESTRAINT UNDER AN AGREEMENT NEGOTIATED WITH THE IMPORTING COUNTRY. HE CITES DRAFT RPT DRAFT ARTICLE 2, PARA 1, IN TEX.NG/W/2 WHICH DEFINED "RESTRICTIONS" IN FOOTNOTE SPECIFICALLY TO INCLUDE SELF-RESTRAINTS. WHILE THIS DRAFT TEXT WAS AMBIGUOUS IN FAILING TO INDICATE WHO SHOULD REPORT SUCH RESTRICTIONS, FINAL TEXT OF ARTICLE 2, PARA 1, ASSIGNED THIS RESPONSIBILITY TO "THE RESTRAINING PARTICIPATING COUNTRY" BUT WITHOUT DEFINING THAT TERM; FINAL TEXT ALSO DROPPED SPECIFIC REFERENCE TO SELF-RESTRAINTS AND SUBSTITUTED "UNILATERAL QR'S...AND OTHER QUANTITATIVE MEASURES" WITHOUT SPECIFYING CLEARLY WHETHER THIS MEANS BOTH EXPORT AND IMPORT MEASURES. SALIB THINKS NEGOTIATING HISTORY AND EXPECIALLY DRAFT CITED ABOVE SHOW INTENT WAS TO COVER BOTH EXPORT AND IMPROT MEASURES.

4. SALIB SEES SEVERAL RISKS IN POSITON THAT SELF-RESTRAINTS ARE UNILATERAL MEASURES WITH NOTIFICATION RESPONSIBILITY LEFT TO THE EXPORTING COUNTRY ALONE:

(A) SOME EXPORTERS MAY NOT ACCEPT TEXTILE AGREEMENT AND THEY WILL ACCORDINGLY NOT BE "PARTICIPATING" COUNTRIES AND HAVE NO OBLIGATION TO NOTIFY ANYTHING TO TSB. IF IMPORTING COUNTRY (SHO SALIB CONSIDERS REALLY RESPONSIBLE) ALSO DECLINES TO NOTIGY, THE RESTRICTIONS CAN BE CONTINUED BY PRIVATE BILATERAL UNDERSTANDING BUT NEVER COME TO ATTENTION OF TSB. (THIS IS THE ARGUMENT REPORTED PARA 2C GENEVA 1254.)

(B) SOME EXPORTERS ADMINISTERING SELF-RESTRAINTS MAY ACCEPT TEXTILE ARRANGEMENT BUT EITHER DELIVERATELY OR OTHERWISE FAIL TO NOTIFY SUCH RESTRAINTS. LAST SENTENCE OF ARTICLE 2, PARA 1, SAYS MEASURES NOT NOTIFIED WITHIN 60 DAYS SHALL BE TERMINATED "FORTHWITH." SALIB WONDERS IF IMPORTING COUNTRIES REALLY INTENDED GIVE THIS MUCH LEVERAGE TO EXPORTING CONTRIES.

(C) SOME EXPORTERS MAY ACCEPT TEXTILE ARRANGEMENT AND NOTIFY SELF-RESTRAINTS AS UNILATERAL QUANTITATIVE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 01282 271356Z

RESTRICTIONS. ARTICLE 2, PARA 2, SAYS THEY SHALL BE TERMINATED WITHIN ONE YEAR UNLESS RENEGOTIATED UNDER SUBPARAS (I), (II) OR (III) OF SAME PARAGRAPH. SALIB SUGGESTS THIS GIVES CONSIDERABLE LEVERAGE TO EXPORTERS TO REFUSE TO REACH AGREEMENT DURING FIRST YEAR THUS AUTOMATICALLY TERMINATING THEIR SELF-RESTRAINTS.

5. SALIB'S SUGGESTION THAT US ESTABLISH PRECEDENT
OF ACKNOWLEDGING THAT SELF-RESTRAINT ACTIONS BY
JAPAN AND HONG KONG ARE IN FACT BILATERAL AGREE-
MENTS RATHER THAN UNILATERAL MEASURES WAS DESIGNED
TO COVER ALL THREE RISKS MENTIONED ABOVE AT LEAST
TEMPORARILY. DALE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, COMMITTEE MEETINGS, EXPORT CONTROLS, EXPORTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974GENEVA01282
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974026/aaaaafnx.tel
Line Count: 121
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 038255
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 13 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 JUN 2002 by boyleja>; APPROVED <27 JUN 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TEXTILES
TAGS: ETRD, GATT, (SALIB)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005